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SUBJECT: The Ministry of Construction and Building Materials Industry

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**A. Administrations of auxiliary production.**

The administrations of auxiliary production are of special importance because they belong to the construction industry although they are not engaged in construction-assembly work, but in manufacturing.

It should be added that construction-assembly work is the basic activity of the construction industry, and the manufacturing process is an auxiliary activity. It also happens that some factories belonging to the heavy or other industry implement some construction-assembly work on a small scale, and this construction-assembly work is not regarded as a basic activity of heavy industry, but is called auxiliary production of heavy industry.

There are two types of auxiliary production. First is the so-called exempted auxiliary production, carried out by large plants according to their own production plan and listed in statistics separately as with any other large industrial enterprise. The Ministry of Construction and Building Materials Industry has about 30 such plants which are controlled by three different administrations:

Administration for Concrete and Reinforced Concrete Elements Production  
(Zarząd Produkcyji Elementów Betonowych i Zelbetonowych)

Administration for Auxiliary Production

Administration for Repairs of Construction Machinery

Besides the above mentioned 30 large plants, there are also between 80-100 medium and small plants which are operated either by the construction enterprises directly or by the regional administrations of the construction industry as separate plants.

**1. Administration for Concrete and Reinforced Concrete Elements Production**

This administration occupies a specific place in the Polish construction industry. It fulfills an important role but it is very difficult to compare it with a similar organization in the Western economy. It is popularly called Prefabrication Administration (Zarząd Prefabrykacji) but, because a prefabricated element has not yet been precisely defined, this short name was not officially approved. Its specific role and place derives from the following:

- a) The factories subordinated to this administration manufacture a very

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large assortment of goods, from wall materials and very simple concrete products such as concrete borders for sidewalks to very technically complicated string-prestressed and other prestressed concrete elements.

There are factories which produce small cinder blocks, 29x29x13 cm weighing 12 kg, and others producing reinforced concrete blocks and panels of three tons each. Such cinder blocks and gas concrete blocks are really so called multi-brick wall blocks in general building materials. Therefore, an everlasting discussion went on in Poland as to whether the above mentioned Administration for Concrete and Reinforced Concrete Elements should not simply be included in the building materials industry. There is no doubt that its production is not construction-assembly work and for this reason it is also called an Administration of Industrial Production (Zarzad Produkcji Przemyslowej). This industrial production controlled by this administration is not basic production of the construction industry but auxiliary production, therefore, its strict definition is Administration of Auxiliary Industrial Production.

However, this administration produces a great number of steel-reinforced concrete elements according to specific orders adjusted to individual projects. Such elements are very complicated and each of them is a separately designed construction. These elements can not be called ordinary building materials, and for this reason this administration (at least a part of it) can not be included in the building materials industry; it is closely connected with construction industry; civil construction engineers design these constructions, and for this reason the administration can not be separated from/construction industry.

In any case it was decided that this administration belongs to the construction industry. However, some factories which produce only wall materials and other simple materials may in the future be excluded from this administration and included in the building materials industry. For example, the lime-sand bricks (silicate) industry belongs to the building materials industry, as wall materials. On the other hand, the wall blocks of "Ytong" type also composed of sand and lime belong to the prefabricated elements industry which is a part of the construction industry. The only difference between the "Ytong" block and a lime-sand brick is the method of production and the use of aluminum powder in the production of "Ytong" as foam mixture.

b) The second basic question under discussion in connection with this administration is its national character.

In principle all goods manufactured by this administration are heavy, large and not fit for long hauls. They are suitable for local use and for this reason it was suggested in 1957 that all plants controlled by this administration should be

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simply subordinate to the respective regional construction administrations. This idea seems reasonable because these regional construction administrations have their own regional prefabricated elements plants which also produce cinder block, ceiling prefabricated elements, etc. In fact some smaller enterprises were taken away in 1957 from this administration and subordinated to the regional construction administration. However, the 17 largest plants are still subordinated to this administration of prefabricated elements. [redacted] the following were the reasons for 25X1 keeping this a separate, national administration:

Prefabrication is closely connected with industrialization of construction. The government is trying to speed up the industrialization program of the construction industry by all means; i.e. the transition to mass production methods, to normalization and standardization of elements, to factory manufacturing of these prefabricated elements and to their assembly on the building site by using machinery and equipment. The government wants to have in its hand these prefabricated elements plants as a decisive instrument for technical progress; these plants should introduce new prefabricated elements having in mind national and not local interests, that research and studies be continued and new methods developed, etc. Finally an important matter is the construction of new factories. Because the government intends to create a large prefabricated elements industry, modern machinery and new projects are necessary and somebody, some industrial administration, must concentrate on such problems on the national level and not only from the point of view of daily production.

If all prefabricated element plants were divided between the existing 14 regional construction administrations, a director of a local administration would be mainly interested in the basic production, i.e., the construction of ordered projects and their implementation according to plan. The prefabricated elements plants are of interest to him as long as they help him to supply the necessary prefabricated elements, but he cannot attend to the development of the new prefabricated elements industry as a main task.

It is obvious that the second main task of <sup>the</sup> Administration of the Concrete and Reinforced Concrete Elements Production is the introduction of technical progress in the field of prefabrication and industrialization of construction industry. For this reason the administration has its own large research institute called the Central Laboratory for Cellular Concrete in Warsaw (Centralne Laboratorium Betonow Komorkowych).

c) As already mentioned above, this administration is also in charge of large investments. All large plants for prefabricated elements were built by this administration,

e.g.:

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Gas-concrete Plant Zeran-Warsaw "Siporex"  
 Gas-concrete Plant Solec Kujawski "Siporex"  
 Gas-silicate Plant Laziska Gorne "Ytong"

Concrete and Reinforced Concrete Elements Plant in Czyzyny near Krakow  
 " " " " " in Warszawa-Pludy  
 " " " " " in Warszawa-Sluzewiec  
 " " " " " in Warszawa-Jelonki

Reinforced Concrete and Prestressed Concrete Elements in Strzybnica

Slag-cinder Blocks Plant in Czechowice  
 " " " " in Czestochowa  
 " " " " in Wroclaw  
 " " " " in Kluczbork

At present the administration is building further new gas-concrete plants in Lubartow, Grodziec, Lodz, and other plants are planned near the sulphur deposits in Tarnobrzeg and the brown coal deposits in Konin.

As is seen from the above, besides its manufacturing industry, this administration is also a large investment directorate. In the years 1955-1965, the investment is to be about two billion zlotys. The administration has closely cooperated with the designing bureau for the new plants, the so-called Designing Bureau of Prefabricated Element Plants (Biuro Projektow Zakladow Prefabrykacji).

d) The fourth characteristic of this administration is that it serves not only the construction industry controlled by the Ministry of Construction but also other industries, e.g. railroad, with reinforced concrete for the Ministry of Transportation, pipes manufactured by centrifugal method for the Ministry of Communal Economy, masts and stilts from prestressed concrete for the Ministry of Mining and Electric Power, props, etc. These outside tasks were also one of the reasons for keeping it an exempted national administration.

e) In addition, this administration was in charge of export. At present 13 gas-concrete plants are to be delivered to foreign countries during 1958-61: Ten to the USSR, and one each to East Germany, Czechoslovakia and Yugoslavia. In connection with this, a special export enterprise, "Fabex", and a special designing bureau, "Biprodex", were organized. The main work, however, is done by the Administration for Concrete and Reinforced Concrete Elements Production and its Central Laboratory of Cellular Concrete.

The estimated value of the yearly production of this administration amounts to about 500 million zlotys at present.

In addition, it should be remembered that there are 14 smaller prefabricated element plants not subordinated to the national administration but to the regional construction administrations, so-called exempted plants which are separate enterprises, and about 40-50 small plants which are subordinated directly to construction enterprises as prefabricated element plants.

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**CONFIDENTIAL**2. Administration for Repairs of Construction Machinery

This is a national industrial type administration which is engaged in auxiliary and not basic production. It is, properly speaking, an administration of machine industry type because it not only is in charge of repairs of machinery and equipment but also of production of spare parts and even of entire construction machines. It controls large factories and repair workshops:

- two in Warsaw
- five factories; one in Poznan, Krakow, Katowice, Wroclaw and in Solec Kujawski, the latter specializing in machinery for prefabricated gas-concrete elements
- one repair-training workshop in Ochojec which is used mainly for training construction machine operators
- one enterprise for spare parts; it is a sale and distribution agency, a kind of a wholesale shop of spare parts for the enterprises of the Ministry of Construction
- one designing bureau in Warsaw

The total yearly value of this administration amounts to about 400 million zlotys of which about 200 million are used for repair services, and about 200 million for industrial production, for new machinery, equipment and spare parts.

It should be mentioned that each regional administration of the construction industry has its own equipment repair workshops for medium and small repairs. Several construction enterprises also have their own repair depots for current repairs.

3. Administration for Auxiliary Production

This is a national administration of a special character. It supervises auxiliary production in fields not covered by the two previously mentioned administrations. Besides these two large industrial sectors, the Ministry of Construction controls several factories and plants of various types such as:

- sawmills
- plants manufacturing oak flooring boards
- factories for prefabricated wooden and reed barracks
- gravel pits and gravel refining plants
- quarries
- carpenter and woodwork shops
- factories manufacturing insulation materials such as shaving-concrete panels produced under trade name "Suprema"
- factories manufacturing flooring tiles "Lastrico" or "Terazzo"
- factories manufacturing facade materials and specific high grade plaster boards, wiring, plumbing, pipes, and other prefabricated sub-assembly parts

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factories manufacturing metal constructions, steel windows, doors, etc.  
ventilation and air conditioning equipment plants

Most of them are small and directly subordinated to individual local construction or installation enterprises, or are exempted enterprises subordinated to a regional construction administration.

Only a small number of plants and factories of this type are subordinated to the Administration of Auxiliary Production and the yearly value of their total production amounts only to about 200 million zlotys.

This administration as it is seen from above is in charge of the auxiliary production in general. Its main task is to give help and assistance to the construction-assembly enterprises.

It is planned that after a few years the administration will even give up these plants and factories to individual enterprises and to the regional administrations of the construction industry in order to concentrate only on policy problems of the auxiliary production. In such a case it will become a department of the ministry. This policy making is much more important than the other tasks since, due to existing shortages in building materials, every construction enterprise spends much time and effort on it. They try to help themselves by organizing their own small prefabricated element plants, repair workshops, sawmills, carpenter shops, gravel pits, etc., and by doing this they get away from their basic tasks. It should be also added *that* the construction personnel really are not familiar with industrial production, management of sawmills or other plants etc., and as a result, *sometimes* invest larger sums unwisely and manage plants very badly.

The value of the auxiliary production amounts to about 10% of the total yearly basic production, and such sums require proper control and direction.

Often a construction enterprise organizes a small auxiliary production plant for its own convenience (everybody wants to be independent and self-sufficient) and does not take in/consideration that the ministry has a similar plant in the vicinity which does not use its full production capacity. Or in other cases, some director wants to build a cinder blocks plant according to the old methods and does not know that there are already new methods, modern machinery, and better prescription of ingredients. Some built factories based on raw materials which are not available at all in the country.

Besides, on most large construction projects building sites there are temporary prefabricated elements plants which can be dismounted and transferred to other building sites. It was established that it is sometimes better to build such

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a temporary field plant, although it is located in the open and can produce only during the building season, than to spend large sums for permanent factory buildings.

The Administration for Auxiliary Production studies all such problems, supervises, controls, gives advice and help for a more correct and economical development of this auxiliary production. So, e.g., the administration bought 50 small vibratory presses, movable on wheel barrows and trucks, by which slag cinder blocks can be easily and cheaply manufactured on the building site. After they were tested in 1957, the Ministry of Small Scale and Handicraft Industry was persuaded to start the production of these presses in a factory in Kluczbork. Although the home production is more expensive and worse than in <sup>the</sup> East German factory in Gubin, there was no other way because the USSR bought the entire production of these machines for several years ahead and East Germany was not able to supply anymore to Poland. This German method of production with these vibratory machines is known in the West (the method of laying eggs) however, the East German industry improved it very much, and it really may be a development ahead of other countries.

Since 1957, the Administration for Auxiliary Production started a new task in connection with factory funds (fundusz zakladowy) some of which are used by enterprises for housing construction. The enterprises often have enough money and even building ground, but they don't have building materials. So the Administration for Auxiliary Production tells them how building materials can be manufactured without large investments from scraps or local materials, issues prescriptions and supplies even some partly spoiled building materials like lime, cement, etc., teaches them how to make cement from granulated slag, so-called plastic cement (Berim patent), helps to buy machinery, etc. This administration introduced economical flooring board (two plates one 10 mm oak and one 10 mm pine glued together), various substitute boards and panels from flax chaff, wooden shavings and chips and tiles.

In 1957, it also initiated something new, namely, the first depot of scrap building materials in Warsaw, selling the materials which are left at the building sites after construction is finished at free market prices to all cooperatives of the Ministry of Construction and to other ministries which were organized for factory housing construction. Before, such scraps as scrap steel, old boards, remainder from barracks, some prefabricated elements which were outsized, damaged bricks, left over gravel, lime, windows, doors from dismantled houses, barracks, etc., were either wasted, burned or stolen. The Administration for Auxiliary Production organized a purchase and sale enterprise of these scrap materials. Very often it sold them directly from the building sites.

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It was a good idea but there were bureaucratic difficulties such as the fact that the state materials are sold on the free market for prices which are very difficult to fix by the State Price Commission because they depend on estimates as to how much such scrap material is worth.

It was planned to open such depots in every larger town but as far as the daily press shows, this initiative was not realized.

4. The value of the auxiliary production

The auxiliary industrial production of the construction industry can only be described by a detailed description of its administrations. Employment in this branch amounted, according to the publication of the Main Statistical Administration (GUS) Polands Statistics, Serial E, Book 3, May 1958 page 30-- Statistics of investments and construction industry (Statystyka Inwestycji i Budownictwa), to:

Production of state construction-assembly enterprises  
in 1958

	<u>Basic</u>	<u>Auxiliary</u>	<u>Percentage</u>
a/ Employment of workers	386,539	35,327	9%
b/ Construction-assembly production in 1956 prices (million zlotys)	29.6		
c/ Auxiliary production in 1956 prices (million zlotys)		2.9	10%
of which:			
quarrying enterprises		0.178	
lumber "		0.743	
concrete & reinforced concrete		0.542	
metal including repairs		0.994	
other various		0.412	

According to the Statistical Bulletin, no 5, 1959, page 21, there were in all socialized enterprises:

414,869	workers employed in basic production
40,722	workers employed in auxiliary industrial production
	i.e., 9.8% of the total was employed in Auxiliary production.

As is seen, the percentage of workers employed in auxiliary production in 1956 and 1958 is almost the same, and can also apply to the current period 1959/60.

a/ The construction industry, in addition to its basic construction-assembly production, has other industrial activity, i.e. auxiliary production the value of which amounts from 10-11% of the value of construction-assembly production.

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b/ The number of workers employed in the auxiliary production exempted enterprises amounts to about 40,000 persons, i.e., about 9-10% of the total number of workers employed ~~at~~ the basic production.

The above quoted figures are taken from official statistics and refer to all socialized enterprises.

If we only consider the Ministry of Construction, this percentage is higher.

No figures are available for the Ministry of Construction only; for that reason the Source estimates them on the basis of memory and experience.

The value of the auxiliary production of the Ministry of Construction was estimated in 1956 at about 2.2 billion zlotys, and the value of the construction-assembly work amounted then to about 15 billion. Therefore, [redacted] the present value of the auxiliary production is also 14-15% because there is no basis for changing this percentage.

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Of these 2.2 billion zlotys, about 900 million were used by the large factories subordinated to the three administrations of auxiliary production mentioned on page 1 and about 1.3 billion by the plants and establishments subordinated directly to construction enterprises or other central administrations.

It can be accepted for the period 1958-1960 that:

a/ The industrial auxiliary production is an important branch of activity of the Ministry of Construction. The value of this production amounts to about 14-15% of the total basic production.

b/ The auxiliary production is implemented by large factories (about 30) which are subordinated to the three administrations of industrial production. Their share in the auxiliary production of the Ministry of Construction amounts to about 40%.

c/ The remaining 60% is implemented by factories and plants permanently subordinated, as separate enterprises, to the regional administrations of construction or specialized administration of general construction and by plants and establishments subordinated directly to the construction enterprises, such as permanent or temporary field enterprises.

#### B. Service and Commercial Administrations

To this group belong the following administrations:

Administration of Engineering Material Supply  
(Zarzad Zaopatrzenia Materiałowo-Technicznego)

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Administration of Designing Bureaus  
(Zarzad Biur Projektowych)

Central Administration of Rural Construction  
(Centralny Zarzad Budownictwa Wiejskiego)

Voivodship Administrations of Local Construction  
(Wojewodzki Zarzad Budownictwa Terenowego)

1. Administration of Engineering Material Supply

This administration occupies a specific place among other central administrations of the Ministry of Construction and Building Materials Industry. It does not supervise any production but it is a very important service administration which employs about 100 persons, at its head office the largest number of staff personnel of any central administration.

Its main tasks are:

- a/ Planning of supplies for the entire ministry and all organizations controlled by it, i.e., it is responsible for the preparation of a comprehensive Plan of Supply.
- b/ Afterwards it must provide evidence and arguments to prove the necessity of the required materials and obtain from the State Economic Planning Commission total allocation of all materials.
- c/ Distribution of building and engineering materials between individual administrations, and thus the preparation of the so-called Distribution Balance Sheet (Bilans rozdzielczy).
- d/ During the year it is responsible for redistribution, i.e., during a crisis of supply it allocates materials to key and priority construction projects.
- e/ Finally, it is in charge of a small reserve of materials for emergency. For this reason it organized two enterprises called construction material depots, one in Katowice where reserves of construction steel are kept, and the other in Warsaw where reserves of various materials, among them installation materials and protective clothing, are kept.
- f/ It controls the consumption and economy of all materials.

As already mentioned, its responsibilities are planning, preparation of balance sheets and control of materials. It does not organize the supply physically, it allocates and gives the subordinate administrations permission to buy the necessary amount of restricted materials, and the administrations are responsible for buying, transportation and storage. For this reason each enterprise has its own supply section usually composed of 8-12 persons and each central administration also <sup>has</sup> a supply section of 5-7 persons.

All this supply technique is very complicated and expensive, and channeled on to all levels from the ministry ~~to~~ the building site.  25X1 about 20% of white collar nontechnical personnel works on supply matters at the construction enterprises, at the central administrations and at the Ministry.

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**CONFIDENTIAL**2. Administration of Designing Bureaus.

Designing is regarded in Poland as production activity in the construction industry. It is however not classified as basic production but as auxiliary production-service activity.

Each state construction bureau is an enterprise and has its own strictly defined plan of production which is measured by two financial values:

a. Selling value of the design, i.e., what the investor pays to the designing bureau for the preparation of the design of the construction project, and

b. Estimated value of the construction projects designed by the designing bureau during the year.

There is of course some connection between "a" and "b" e.g. that the cost of the design amounts to 3 -7% of the estimated value of the construction project but this differs very much according to the type of the project.

The cost of the design of the project depends on the time spent by the designers for the preparation of the calculation and designs. In general, the designing office adds 110% for salaries and premiums for designers employed on the particular project; i.e. The total cost of the design is 2.2 million zlotys, and the designers receive from it about 1 million zlotys in salaries.

The organization of the designing bureaus is to some extent similar to the organization of the construction-assembly administrations. There are national, regional and specialized designing bureaus as follows:

(1) In every larger town there is Designing & Consulting Bureau for Urban Construction (Biuro Projektow Budownictwa Miejskiego) called city designing office (miasto-projekt). Warsaw has five such bureaus (East, South, North, City center and specialized one, which mainly designs hospitals, schools and office buildings). The total number of city designing offices in Poland amounts to about 20.

(2) Designing Bureau for Industrial Projects (Biuro Projektow Budownictwa Przemyslowego). There are about eight bureaus of this type in Poland located in larger towns.

(3) Several national designing bureaus specializing in one specific branch such as:

-Research, Development and Designing Bureau for Typical Industrial Buildings (Biuro Studiow i Projektow Typowych Budownictwa Przemyslowego) in Warsaw.

It had very good results in designing prestressed and reinforced concrete constructions.

-Research, Development and Designing Bureau for Prefabricated Constructions (Biuro Projektow i Studiow Prefabrykacji)

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- Research Development and Designing Bureau for Model and Typical Urban Construction (Biuro Projektow Wzorcowyh i Typowych Budownictwa Miejskiego)
- Research Development and Designing Bureau for Steel Construction (Biuro Projektow i Studiow Budownictwa Stalowego)
- Geological and Geodetic Designing Bureau "Geoprojekt" (Biuro Projektow Geologiczno-Fizjograficznych i Geodezyjnych Geoprojekt")
- Designing Bureau of the Building Materials Industry (Biuro Projektow Przemyslu Materjalow Budowlanych)
- Designing Bureau for Auxiliary Facilities <sup>of</sup> for the Construction Industry (Biuro Projektow Organizacji Zaplecza Budownictwa) in Warsaw
- Designing Bureau for Civil Engineering Transportation Projects "Metroprojekt" (Metroprojekt Biuro Projektowania Budownictwa Inzynierjno- Komunikacyjnego) in Warsaw

(4) Besides this, almost every national, central, specialized or auxiliary production administration has its own designing bureau which is under the functional supervision of the Administration of Designing Bureaus.

- Steel Construction Administration "Mostostal" has its own Designing Association (Zjednoczenie Projektowe)
- Electrical Equipment Assembly Administration has a Designing Bureau "Elektroprojekt" with its head office in Warsaw and three provincial branches in Krakow, Katowice and Lodz;
- Industrial Installations Administration has one Designing Bureau for Industrial Installations and one Designing Bureau for Ventilation Equipment (Biuro Projektow i Konstrukcji Urzadzen Wentylacyjnych)
- Administration for Electric Power Plants Construction has a Designing Consulting Bureau for Organization of Electric Power Stations Construction Projects (Biuro Projektow Organizacji Budow Elektrowni) in Silesia
- Administration for Repairs of Construction Machinery has a large Designing Bureau for Construction Machinery (Biuro Konstrukcyjno-Projektowe Maszyn Budowlanych) in Warsaw;
- Prefabricated Administration cooperates closely with the Designing Bureau of Prefabricated Elements Plants( Biuro Projektow Zakladow Prefabrykacji) and Special Designing Bureau "Biprodex".

(5) Further, almost every construction-assembly enterprise has its own planning and designing section for the organization of construction work (Oddzial Projektowania Organizacji Robot OPOR. These sections have <sup>about</sup> 10 employees, administratively are directly subordinated to the enterprises, and only receive from the Administration

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of Designing Bureaus instructions, technical help, catalogues of typical elements, bulletins etc.

[redacted] the total number of persons employed in all designing bureaus in Poland is about 40,000 of which about 11,000 persons work in the designing bureaus subordinated to the Ministry of Construction and Building Materials Industry.

The work of designing bureaus is however not efficient, and is very bureaucratic to the highest degree, and of course very much hampered by this system.

### 3. Central Administration of Rural Construction

This administration still existed in 1957 but its liquidation was already considered at that time. It was to be replaced by a department of local construction, which was organized in 1957, and which has increased its activity from year to year since. The Administration of Rural Construction continued its existence even in 1958

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It supervised 17 Voivodship Administrations of Rural Construction which still exist and are increasing their activity, but they changed their name to Voivodship.

Administration of Local Construction (Wojewodzki Zarzad Budownictwa Terenowego)

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~~CONFIDENTIAL~~~~4. Administration of Local Construction (Wojewodzki Zarzad Budownictwa Terenowego)~~

This second name is more proper because they supervise not only construction in villages but also county and small town construction. They supervise about 280 County Construction Enterprises (Powiatowe Przedsiebiorstwo Budowlane) in the entire country. and are subordinated administratively to the county people's councils and, technically supervised by the Ministry of Construction and Building Materials Industry.

The yearly total output of these county construction enterprises which, since 1959, are called Local Construction Enterprises (Terenowe Przedsiebiorstwo Budowlane), amounted in 1956 to about two billion zlotys in 1956 prices and according to source's estimate about three billion zlotys in 1958 prices in 1959, and will probably increase in the future.

The Central Administration of Rural Construction is only a formality, a superior authority over the voivodship administrations of local construction. The departments of local construction are doubling their responsibility and will probably become the sole authority.

The Minister of Construction did not want to liquidate the Central Administration of Rural Construction for political reasons, because the liquidation of the only administration which carried the name "rural" at the time when Gomulka spoke about the support of agriculture and construction in villages and later on after 1956 could have a bad effect.

Taking into account this factual, though transitory and illogical organizational situation, [redacted] the enclosed organizational table (see page 19) 25X1 the Central Administration of Rural Construction and the above mentioned 15 voivodship administrations of local construction which are increasing their activity more and more.

Remarks: As already mentioned in the description of regional administrations of the construction industry, there is a plan to subordinate all regional administrations to the voivodship people's councils and then they will have a role similar to the present voivodship administrations of local construction; they will probably merge in one voivodship administration of the construction industry (wojewodzki zarzad budownictwa).

Such an organization would no doubt be more logical and economical than the present one. There are at present: 17 voivodship administrations of local construction and 14 regional administrations of the construction industry i.e. in each larger voivodship town there is a regional administration of the construction industry subordinated to the Ministry of Construction and Building Materials Industry, and besides it, a voivodship administration of local construction which is subordinated to the people's council and also functionally to the Ministry of Construction.

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This situation existed because:

- a. The Ministry and the government did not want to lose the central control and authority of the construction industry in the provinces
- b. The voivodships are not eager to take over the responsibility and troubles and are waiting until these administrations of construction industry, organized in 1957, get stronger and are better equipped in machinery and personnel.
- c. The directors of construction administrations "don't hurry" to be directly subordinated to the voivodship people's councils which are "poorer" than Warsaw, because it is better for them to be subordinated to the Ministry than to the local authority- the voivodship people's council.

The first step was already made by the Voivodship People's Council in Katowice, which took over the Silesian Administration of Urban Construction but did not take the Silesian Administration of Industrial Construction. At ~~the~~ present the Krakow voivodship is ready and demanding the transfer of the Krakow Construction Administration and "Fundamenty" of 5 July 1959 wrote on page 3 about it:

..... "The Presidium of the People's Council in Krakow made, during the meeting on 24 June 1959, the decision about immediate transfer of the supervision over construction enterprises, which are directly connected with the implementation of the municipal investment plan.... Observations made during the last year's, permit a corroboration of a seemingly paradoxical phenomenon.. that the main opponents to decentralization of administration should be looked for in the local people's councils...." The Krakow People's Council demanded the transfer of construction enterprises but at the same time restricted this request to the enterprises directly connected with the implementation of Krakow's investments. Only two enterprises out of 10 belong to this.

The construction enterprises subordinated to the Krakow Construction Administration build large industrial projects like electric power and aluminum plants in Skawina, chemical plants in Tarnow, electric power plant in Jaworzno, and in other locations and for this reason the Ministry of Construction cannot agree and argues:

Either the Krakow People's Council takes over the entire Krakow Construction Administration with all its responsibilities to build in other towns, or nothing. The Krakow People's Council instead wants to take over only what is needed for Krakow and does not want the construction enterprises and workers from Krakow to work and use the scarce building materials for other towns. The controversy of national and local interests exists in all voivodships and for this reason the problem of decentralization of the supervision over the construction enterprises is almost at <sup>a</sup> standstill.

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As already described in an earlier report of this series, the Ministry of Construction and Building Materials Industry controls six large specialized administrations, each of which represents some specific branch of the construction industry. There are, however, more than six specialized branches in construction and some of them require high specialization but there is not enough of ~~each~~ kind of work ~~for them~~ to be worth organizing separate national specialized administrations.

Such specialty is e.g., the construction of industrial ovens and furnaces which is a field of industrial construction which requires specially trained mechanics, fitters and so-called "white bricklayers", who can put in layers of fireproof and fire-resistant materials even during the operation of the kiln. Further, the construction of high chimneys is a very difficult specialization requiring high class experienced specialists. For this reason there are such enterprises as:

1. Establishment for Industrial Furnace Construction (Przedsiebiorstwo Budowy Piecow Przemyslowych)

which has the rights of a construction administration, i.e., it is not subordinated to any administration, but directly to the Ministry of Construction.

It employs about 1000 persons and its yearly output amounts to about 70-90 million zlotys. It is one of the best enterprises in Poland and has a high technical standard. It is located in Bytom in Silesia.

2. Association for Mechanized Work

(Zjednoczenie Robot Zmechanizowanych) -- head office in Warsaw-- is another exempted enterprise subordinated directly to the Ministry. The Minister did not subordinate this enterprise to any central administration because it is well equipped with special machines for digging, earth moving, building foundations etc., and does earth work as subcontractor for other construction enterprises. If there is any special and important work the Minister is directing the Association for Mechanized Works uses its heavy construction machinery and can in this way accelerate the construction.

Its yearly output amounts to about 70 million zlotys.

In addition to these two enterprises described above, there are also other exempted enterprises. Export enterprises:

3. Steel Construction Export Enterprise "Hutex" (Przedsiebiorstwo Eksportu Konstrukcji Stalowych- Hutex)4. Export Enterprise for Gas-Concrete Producing Installations "Fabex"  
Przedsiebiorstwo Eksportu Fabryk Betonow Gazowych- Fabex)

These are small enterprises at present which cooperate with the Export Center for Entire Industrial Installations (CEKOP) which is subordinated to the Ministry

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of Foreign Trade. It is expected that they will be expanded. To the exempted enterprises also belong the:

5. Industrial Association for Construction Lenin Nowa Huta Metallurgical Center  
Zjednoczenie Przemyslowe Budowy Nowej Huty im. Lenina) in Nowa Huta near Krakow

There is no other reason why Nowa Huta should be an exempted enterprise except that it is very large and its yearly production plan amounts to from 600 million to one billion, i.e., as much as an average construction administration. This also influences the salaries of white collar employees of Nowa Huta Metallurgical Center because, being equal to a central administration, it is entitled to 5% higher salaries for its employees.

#### Institutes

The institutes are also exempted enterprises to some extent because they are not subordinated to any administration but directly to the Ministry through the department called Engineering Administration. There are the following institutes:

- Institute of Civil Engineering (Instytut Techniki Budowlanej)
- Housing Construction Institute (Instytut Budownictwa Mieszkaniowego)
- Institute of Organization and Mechanization of Construction (Instytut (Organizacji i Mechanizacji Budownictwa)

These three institutes are considered institutes of the construction industry.

The industry of prefabricated elements has its own institute called:

- Central Laboratory for Cellular Concrete (Centralne Laboratorium Betonow Komorkowych)

which is at present subordinated to the Administration of Concrete and Reinforced Concrete Prefabricated Elements and not directly to the Minister. It is expected that in connection with the expansion of the present laboratory, it will receive the name of Institute for Cellular Concrete and will be subordinated directly to the Ministry.

There are two other institutes of the building materials industry:

- Institute of Binding Materials (Instytut Materialow Wiazacych in Groszowice
- Institute for Glass and Ceramic Industry (Instytut Szkla i Ceramiki) in Warsaw.

#### D. Central Administrations of the Building Materials Industry

The organizational setup of these administrations is like those in the construction industry, and there are also national, regional, <sup>and</sup> voivodship administrations under functional supervision of the Ministry and administratively subordinated to the voivodship peoples councils, and service administrations. They are only listed here <sup>below</sup> and in the enclosed table on page 19 and are located under their respective columns and groups <sup>and</sup> enclosed by thin border as follows:

1. Regional Industrial Administrations of Building Materials

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- Administration of Red Ceramics "North" (Zarzad Ceramiki Czerwonej "Polnoc") in Warsaw
- Administration of Red Ceramics "South" (Zarzad Ceramiki Czerwonej "Poludnie") in Krakow
- Administration of Red Ceramics "West" (Zarzad Ceramiki Czerwonej "Zachod") in Poznan

2. National Industrial Administrations of Building Materials

- Administration of Cement Industry (Zarzad Przemyslu Cementowego) in Sosnowiec
- Administration of Lime-Gypsum Industry (Zarzad Przemyslu Wapienniczo-Gipsowego) in Krakow
- Administration of Glass Industry (Zarzad Przemyslu Szklarskiego) in Bedzin
- Administration of High Grade Ceramics (Zarzad Ceramiki Szlachetnej) in Wroclaw
- Administration of Building Stone Industry (Zarzad Kamienia Budowlanego) in Krakow
- Administration of Aggregate Materials (Zarzad Kruszyw Mineralnych) in Warsaw

3. Voivodship Administrations of Local Building Materials Industry

They are located in all voivodship towns:

Warsaw, Krakow, Katowice, Poznan, Wroclaw, Lodz, Opole, Gdansk, Szczecin, Koszalin, Bialystok, Zielona Gora, Lublin, Kielce, Olsztyn

4. Service and Commerical Administrations

- Building Materials Sales Center (Centrala Handlowa Materialow Budowlanych) in Warsaw with branches in larger towns
- Cement Sales Center (Centrala Zbytu Cementu) in Sosnowiec
- Export Enterprise for Mineral Industry Products "Minex" (Przedsiębiorstwo Eksportowe Artykułów Przemysłu Mineralnego) in Warsaw.

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REGIONAL ADMINISTRATIONS OF CONSTRUCTION	NATIONAL SPECIALIZED ADMINISTRATIONS	ARMED FORCES ADMINISTRATIONS AND COMMERCIAL ADMINISTRATIONS	RURAL CONSTRUCTION ADMINISTRATIONS & WYNDOWSHIP ADMINISTRATIONS OF LOCAL CONSTRUCTION	RURS ADMINISTRATIONS OF LOCAL CONSTRUCTION	WZBT	WZPT	WZPT
1.Z.B. City of Warsaw	Steel Construc- tion Administration "Mostostal"	Administration of Concrete Prefabricated Production	1. WZBT Warsaw			WZPT Warsaw	
2.Z.B. Lodz		Administration of Auxiliary Production	2. WZBT Lodz			WZPT Lodz	
3.Z.B. Silesia ( Industrial )	Electrical Equipment Assembly Administration	Administration of Construction Machinery Repair	3. WZBT Katowice			WZPT Katowice	
4.Z.B. Silesia ( Urban )	Industrial Installations Administration	Administration of Construction Machinery	4. WZBT Krakow			WZPT Krakow	
5.Z.B. Poznan		Repair	5. WZBT Poznan			WZPT Poznan	
6.Z.B. Wroclaw	Administration for Electric Power Plants Construction	Administration of Engineering & Material Supply	6. WZBT Wroclaw			WZPT Wroclaw	
7.Z.B. Pomorsze ( Bydgoszcz )	Administration for Urban Engineering Work	Designing Offices	7. WZBT Bydgoszcz			WZPT Bydgoszcz	
8.Z.B. North- East		Administration	8. WZBT Bialystok			WZPT Bialystok	
9.Z.B. Gdansk	Administration for Hydraulic Engineering Work	Export Enterprise "Faber" P.W.	9. WZBT Gdansk			WZPT Gdansk	
10.Z.B. Kielce		Export Enterprise "Huter" P.W.	10. WZBT Kielce			WZPT Kielce	
11.Z.B. Lublin	Mechanized Work Association P.W.		11. WZBT Lublin			WZPT Lublin	
12.Z.B. Rzeszow		Export Enterprise "Migex" P.W.	12. WZBT Rzeszow			WZPT Rzeszow	
13.Z.B. Szczecin	Sales Center of Building Materials		13. WZBT Szczecin			WZPT Szczecin	
14.Z.B. Krakow	Administration Cement Industry		14. WZBT Koszalin			WZPT Koszalin	
15.Z.B. Nowa Huta Metal Construction Complex	Administration Lime-Gypsum Industry		15. WZBT Zielona Gora			WZPT Zielona Gora	
	Administration Glass Industry		16. WZBT Olsztyn			WZPT Olsztyn	
	Administration High - Grade Ceramics		17. WZBT Opole			WZPT Opole	
	Administration Aggregate Exploitation						
	Administration Stone Industry						

MINISTRY OF CONSTRUCTION AND BUILDING  
MATERIALS INDUSTRYORGANIZATIONAL TABLE OF SUBORDINATED  
NATIONAL AND REGIONAL ADMINISTRATIONS**CONFIDENTIAL**

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## EXPLANATION TO THE ORGANIZATIONAL TABLE OF SUBORDINATED NATIONAL AND REGIONAL ADMINISTRATION

## C 20 THE MINISTRY OF CONSTRUCTION AND BUILDING MATERIALS INDUSTRY

1 directly subordinated to the ministry

1 under functional supervision of the ministry

Z.B. Construction Administration (Zarząd Budownictwa)

WZBZ Voivodship Administration of Local Construction Industry (Wojewódzki  
Zarząd Budownictwa Terenowego)WZPT Voivodship Administration of Local (Building Materials) Industry (Wojewódzki  
Zarząd Przemysłu Terenowego Materiałów Budowlanych)

P.W. Exempted Enterprise (Przedsiębiorstwo Wydzielone)

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